

ROANOKE ISLAND COMMISSION MEETING

Call to Order

The **Roanoke Island Commission** met in a special called meeting in the Art Gallery/Meeting Room on Tuesday, **October 2, 2012** at 9:05 AM. Officers present: Ellen Newbold, Chair and Treasurer; Perry White, Vice-Chair; and Angel Khoury, Secretary. Members present: Betsy Brown (via telephone); Eddy Browning (via telephone); Ken Daidone; Zene Fearing; Warren Judge, Dare County representative; Brent Lane (via telephone); Heidi Leo (late arrival); Robert Long (via telephone; late arrival); Fountain Odom; Bob Partridge (late arrival); Dale Petty; Agnes Powell; John Robbins; and Earl Willis. Also present: Karen Blum, NCDOJ (via telephone); Susie Holloway, NCDOJ (for Lars Nance, NCDOJ; via telephone; late arrival); and Melanie Soles, NCDCCR Chief Deputy Secretary (for NCDCCR Secretary Linda Carlisle; via telephone). Staff present: Kim Sawyer, Executive Director; Andrea Hanganu, Administrative Assistant; and Amy Hinnant, Operations Manager. Absent: Jerry Jennings, NCDOT designee; Grayson Kelley, Attorney General designee; Billy Parker (unseated Town of Manteo designee); Bob Quinn; and John Wilson, RIC Historian (non-voting).

Welcome

Chairman Ellen Newbold welcomed all in attendance.

Ethics Statement Conflict of Interest

Ethics Liaison Ellen Newbold read the ethics statement and inquired of Commission members as to whether they had any known conflict of interest or appearance of conflict with respect to any matters coming before the Commission today. Angel Khoury noted that she also serves on the board of the Friends of *Elizabeth II*.

*Heidi Leo joined the meeting at 9:06 AM. *

Adoption of Agenda

No agenda was presented.

New Business Hiring a Firm to Meet Legislation Section 18.3 Requirements *Ellen Newbold*

RIFP Executive Director Kim Sawyer provided the following background information regarding hiring a firm to meet the requirements of Section 18.3 in the legislation:

- Prior to the July 27, 2012 RIC meetings, DCR Secretary Linda Carlisle spoke to her about the legislation in Section 18.3 (previously distributed and filed as an attachment in the official Report Book) regarding writing a 5-year plan and discussing the feasibility of privatization.
- RIC Finance Committee charged her with gathering proposals to review regarding writing the report.
- Section 18.3 was used as a scope of work.
- New RIC Commissioner Brent Lane, Secretary Carlisle, and others provided suggestions of firms.

* Susie Holloway, with the NC Department of Justice, joined the meeting at 9:08 AM via telephone. *

- Verification for Ms. Holloway that the meeting was in progress, with no discussion of going into closed session.
 - Verification of no need to go into closed session (Newbold).
- Three proposals were received and presented to Chairman Newbold.

Chairman Newbold continued by providing the following background information:

- Committee of the remaining Finance Committee members (Secretary Linda Carlisle, Warren Judge, and Chairman Newbold) met by conference call to carefully study the proposals.
- Review of the three proposals received:
 - UNC Chapel Hill.
 - Flagler Business School, Kenan Institute for Private Enterprise; main contact is Nicholas Didow, a specialist in market research methods and consumer behavior analysis.
 - Included: detailed bios; list of projects, mostly businesses; site visit to review RIC and RIFP; wanted a RIC task group available to work with this team throughout the process with weekly conference calls and with interviews.
 - Proposed interviewing stakeholders: RIC, DCR, and the North Carolina General Assembly (NCGA); the NCGA likely would not do that since they gave RIC the task; nothing mentioned stakeholders as part of the community.
 - Three points to talk to people: 1) interview for an initial swat analysis to set up key questions and alternative models; 2) mid-point discussion and feedback in response to initial findings; and 3) session to review final project findings.
 - Project would be finished and published by February 1, 2013, when it is due to the NCGA.
 - \$63,250.00 budget: \$36,500.00 for a 5-year plan + \$26,750.00 for feasibility study for different models of privatization.
 - East Carolina University (ECU).
 - Bureau of Business Research in the College of Business; main contact is James Kleckley.
 - Succinct proposal of a 5-year plan: inventory and overview the operations; 5-year projections; research similar operations in North Carolina and beyond; meet with the full RIC to gather input into the development of the plan.
 - Results would be a planning report to include: revenue and expenditure projections, options for alternative programs and services, service and funding scenarios in funding reduction, and privatization feasibility.
 - Timeline: October 1, 2012-February 15, 2013; draft report on January 11, 2013; final report on January 25, 2013.

- Have worked in NC and Dare County; most work has been in economic forecasting; completed economic research and modeling for the economic impact of the Wanchese Seafood Industrial Park; economic research and modeling for the Mid-Currituck Bridge Environmental Impact Study; economic modeling for the Mid-Currituck Bridge Toll Study; 911 Cost and Funding Model for the North Carolina 911 System and the impact of that on government and business.
- Projected cost of proposal is \$20K.
- Schultz and Williams (S&W), Philadelphia, PA.
 - Committee went back to S&W and ECU with additional questions.
 - Prefer to keep RIC money in NC; after studying all three, multiple discussions, and many emails, committee decided RIC would get more bang for its buck with S&W.
 - Have done extensive work for the NC Zoo and the NC Aquarium; have a good track record with cultural organizations.
 - It is an opportunity for a longer-term relationship and potential help later at less money.
 - Were specific and clear in the process to be used; propose that RIC include Friends of *Elizabeth II* (FOEII) in the project, which is a good thing because they are RIC's major support organization and need to be involved.
 - Cost to write the plan and do the research is \$24,500.00; then a reimbursable travel expense for up to 3 meetings/presentations in Manteo of \$2,500.00.
 - Committee recommends S&W to the RIC (proposal distributed and filed as an attachment in the official Report Book).

* Bob Partridge joined the meeting at 9:17 AM. *

Motion

Fountain Odom made a motion that the Roanoke Island Commission approve the subcommittee's recommendation to utilize Schultz & Williams. Earl Williams seconded the motion. Discussion was held as follows:

- Question whether the committee discussed where these funds are to come from—out of the RIC operating budget or if RIC would ask FOEII to fund this (Fearing).
 - Committee did not discuss that, but those are the two options (Newbold).
 - RIC must first make a decision if this is the firm it wants and then go from there (Newbold).
- Verification for John Robbins that she is not aware of any other sites that must be considered in the 5-year plan as required by Section 18.3 of the legislation that says the 5-year plan is to include all properties under the administration of DCR located on Roanoke Island (Newbold).
 - Believes the legislation only meant the Roanoke Island properties; request for time to pull up the legislation (Soles).
- Question whether Buzzy Lane, located beside Island Farm, needs to be included in the 5-year plan (Robbins).
 - Grant acquiring funds for Buzzy Lane designated DCR as the property overseer (Newbold).
 - Need to let the attorneys tell the RIC (Newbold).
 - RIC must stay on today's meeting item of deciding about the committee's recommendation (Holloway).
 - Verification for Kim Sawyer that the only relationship RIFP has with Buzzy Lane is that as of the last legislative session RIC receives the income; but there is a MOA between DCR and Buzzy Lane that is pursuant to the terms and conditions of the Natural Heritage Trust grant (Blum).
 - That is under DCR's administration (Robbins); but the scope of work was for RIFP and not Buzzy Lane because she does not have jurisdiction over Buzzy Lane (Sawyer).
 - Apology to John Robbins because he personally made the assumption Buzzy Lane would be included; to deny the fact that it belongs in here is not reading the legislation correctly (Judge).

* Robert Long joined the meeting at 9:26 AM via telephone. *

- Verification that Buzzy Lane falls outside of the management of the RIC because it is governed by the Natural Heritage Trust grant; Natural Heritage Trust falls under DENR (Blum).
- DENR made the agreement with DCR (Newbold); or the board/commission of the Natural Heritage Trust (Blum).
- Kim Sawyer, as RIC Executive Director, says she has no jurisdiction and nothing to do with Buzzy Lane; RIC ought to get on with its task and not bring up the other equities/issues involved (Odom).
- Verification that what is being said is that RIC has no jurisdiction over Buzzy Lane period (Newbold).
- Every revenue source needs to be in the report (Robbins).
- Question of that rent being a revenue source (Khoury).
- Verification the property is not part of the jurisdiction of the RIC (Newbold).
- Legislation tells RIC what to do, and RIC simply must comply with Section 18.3 or suffer consequences; if it means inventorying all properties administered by DCR regardless of whether the RIC has control or not; and that is made clear; it still has to be addressed in the report (Lane).
- Verification that committee discussions included the firm being aware that the Pavilion is a big part of what RIC will do and a potential moneymaker; and S&W doing site visits (Newbold).
- Clarification of costs: ECU: \$20K (travel unnoted); UNC: \$63,250.00; S&W: \$27K; includes \$2.5K travel max. (Newbold).
- Question if effort was made to try to get the proposals as apples-to-apples as possible (Petty).
 - All had the same scope of work (the legislation) and answered the same questions (Newbold).
 - Review discussion included experience level in this type of work and with government agencies; each group provided proof of work; S&W had the abundance of experience, particularly in this area (Sawyer).
- S&W's is the superior proposal of the three described; suggests approving the S&W contract, with the understanding that the legislative requirement includes additional considerations that S&W is not addressing but that can be addressed with staff (Lane).

- Prefers hiring a qualified Dare County firm, but none applied; prefers hiring an NC firm; S&W was the most comprehensive of the three; even if UNC begins to compare to S&W, they are three times the cost; James Kleckley is very familiar with Dare County; wanted to give it to ECU but did not think their presentation demonstrated that they have this *type* of experience; S&W does; the Zoo and Aquarium have already fought the battle for state taxpayer monies going out of state to hire a firm (Judge).
- Clarification that S&W did the same type of work for the NC Aquariums and Zoos; concept was identical (Judge).
- Request for clarification that the NC Aquarium and NC Zoo had to create a strategic plan, which the state accepted (Leo).
 - Unknown if the state has accepted it yet (Judge).
 - Agency decides how it wants to use the report and work with legislators regarding that information (Sawyer).
 - RIC must give its report to the NCGA (Newbold); but RIC has a level of control what it reports (Sawyer).

Amendment to the Motion

John Robbins requested that Fountain Odom's motion be amended to include Buzzy Lane, then also expenditures not to exceed—right now being \$27K, \$27.5K—to negotiate the contract not to exceed \$29.5K. Fountain Odom opposed the amendment because it is not part of this process and should not be included. Discussion was held, with the following being noted:

- Buzzy Lane can be addressed without making a plan for it (Newbold); agreement (Leo).
 - Buzzy Lane revenue is just reported as part of RIC revenue; it is no extra cost in the plan to include it as a set figure; whether the income stays or goes it is in the budget, and you know how much it is; it is just included as part of operating revenue; no study has to be done on it; it is just included as flat revenue (Soles).
 - He has no problem with it saying the revenue or non-revenue be included; opposes RIC making a plan of what to do with Buzzy Lane (Odom).
 - Must address the fact that RIC has a relationship through DCR and there is the grant agreement (Newbold).
 - Taking a paragraph and one line in the operating budget on the plan, nothing that will change the scope of the service from S&W or the cost (Soles).
 - RIC cannot devise a plan for Buzzy Lane because RIC does not manage it (Sawyer).
 - Correct, and that is not what the legislation is asking RIC to do; RIC would just include it as a line in the RIC operating budget (Soles); agreement (Odom).
- Verification that some S&W clients have become independent; the last one is a museum put together with the university as a joint operation; some are non-profits (Newbold).
- Verification for Agnes Powell that RIC has decided Buzzy Lane is a property under the administration of DCR and therefore must be addressed by whatever vote taken today; and the way RIC addresses it remains to be seen because RIC does not have any control over it; but it must be addressed (Newbold).
 - Verification that can happen without the amendment from Mr. Robbins (Newbold).

Clarification of Motion on the Floor

Upon request by Susie Holloway, Chairman Newbold clarified that the motion on the floor that has been made and seconded is that *we approve Schultz & Williams as the consultant to help us do the report as mandated in the legislation*; and the discussion was going on about that. Chairman Newbold said the question was then raised about the line in the legislation that says that RIC is responsible for anything on Roanoke Island under Cultural Resources; and Buzzy Lane came up. Chairman Newbold stated her impression is that the RIC would *address* that issue. She does not know that the RIC can make a plan for Buzzy Lane, but it can address that issue in the report to satisfy the legislation.

Amendment to the Motion (Re-stated)

John Robbins made an amendment to the motion, that in accordance with Section 18.3 that reads: *The Roanoke Island Commission shall develop a comprehensive five-year plan for the Elizabeth II State Historic Site and Visitor Center, the Elizabeth II, Ice Plant Island, and all other properties under the administration of the Department of Cultural Resources located on Roanoke Island*—that Buzzy Lane be included in this report; and that any associated expenditures should not allow the contract to exceed, with this inclusion, \$29K; and that includes the per diem that the contractors noted. Chairman Newbold and John Robbins verified for Susie Holloway that this is just a re-statement of that previous motion to amend and not different. Mr. Robbins stated that his intent was to satisfy the legislation. Warren Judge seconded the motion. Discussion was held as follows:

- A former Commissioner requested of DCR a list of those properties; she does not manage any other properties as RIC Executive Director; she can go back and find that list of properties; Buzzy Lane is not on the list; RIC may need to clean up some of the legislation for clarification (Sawyer).
- Question whether the Outer Banks History Center (OBHC) is a part of this, if it is separate, or if it pays rent (Leo).
 - Clarification that OBHC does not pay rent but pays for some utilities as of last year's new legislation (Sawyer).
 - Clarification that RIC does not manage the OBHC, but it is a part of DCR (Sawyer).
 - Buzzy Lane should be included, but OBHC is just a line item in the RIC budget; RIC can state, without having a motion, that any source of income including the utilities payments from the OBHC be included in this (White).

- Need to identify part of the building is utilized by OBHC at no cost other than utilities taking up x-amount of space (Leo).
- Verification the Chairman's position on Mr. Robbins' amendment is confidential; RIC will vote (Newbold).

Vote With no further discussion, the motion for the amendment carried with eleven (11) aye votes (Browning, Daidone, Fearing, Judge, Leo, Partridge, Petty, Powell, Robbins, White, and Willis) and five (5) nay votes (Brown, Khoury, Lane, Long, and Odom).

Motion Chairman Newbold reported that now the amended motion is the main motion: *that we approve Schultz & Williams as the consultant and making sure that we include other properties under the Department of Cultural Resources in the plan.* John Robbins added: *and we approve the budget not to exceed \$29K, and that includes a per diem; that is a total budget.* Brent Lane questioned if there is a list of properties that this legislation appears to apply that S&W would request for the new contract. Kim Sawyer agreed to go back and find the list that the DCR Internal Auditor provided about two years ago, look at it, and provide it to S&W.

Vote With no further discussion, the motion carried by unanimous vote. Chairman Newbold noted that they will be in touch with S&W and the other two firms to let them know of the RIC's decision today. Betsy Brown questioned if the proposal timelines are still workable since it is about a month old. Kim Sawyer responded that S&W will have to adjust the timelines, but they want to allow RIC one month to see a draft prior to it being presented to legislators.

Melanie Soles requested to be notified if it is believed the February 1, 2013 deadline cannot be met, so DCR can go back to Fiscal Research regarding the possibility of an extension to March 1, 2013. Regarding purchasing, Ms. Soles verified that S&W would present a contract, RIC would send an invoice, and DCR would pay that invoice for RIC out of RIC funds. Ms. Sawyer verified that she would copy Ms. Soles when she sent something to Sarah Dozier. Ms. Soles agreed to help get it through the purchasing process.

John Robbins initiated discussion regarding the need to officially amend the budget in order to pay the consultant, with the following being noted:

- Suggestion of consideration at the October 25-26, 2012 RIC meetings (White).
- It would be helpful if the RIC budget was amended now while the group is together (Sawyer).

Motion Perry White made a motion that we ask Friends to help us with it. Zene Fearing seconded the motion. Upon request by Chairman Newbold for more detail on the motion and following discussion, Perry White re-stated his motion as follows: *I move that the Commission ask the Friends for the funds to accomplish this contract, that a line item for the reception of the funds and a line item for the expenditure of the funds be created in our budget; and that if the Friends do not totally fund it, that then we amend the income and the expenditure items from our current fund.* Discussion was held as follows:

- Notation that both Zene Fearing and Warren Judge already seconded the motion.
- Angel Khoury noted that she was going to abstain because as a FOEII board member she would have to look at the entire budget, since a lot of ship repairs are coming up.
- Verification that the motion is asking for 100% funding from the Friends; and if not, the motion is that RIC amend its budget to cover it (White).

Vote Zene Fearing seconded the motion. The motion carried with fourteen (14) aye votes (Browning, Daidone, Fearing, Judge, Lane, Leo, Long, Odom, Partridge, Petty, Powell, Robbins, White, and Willis); one (1) nay vote (Brown); one (1) abstention (Khoury).

Notices and Announcements

The next meeting of the Roanoke Island Commission will be Friday, October 26, 2012.

Adjournment

With no further business, the meeting was adjourned on motion by Perry White and second by Fountain Odom at 10:11 AM.

Minutes submitted by: Andrea Hanganu, Administrative Assistant

Upon a vote by the Roanoke Island Commission, approved by: _____
Angel Khoury, Secretary, Roanoke Island Commission